



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

May 16, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

REPORT ON ALTERNATIVE TO FULL SEPARATION OF PERSONAL HEALTH AND PUBLIC HEALTH

On February 28, 2006, your Board deferred the decision on the separation of Public Health from the Department of Health Services (DHS), including the related ordinances, until May 23, 2006. At our request, this item is now scheduled for consideration on your May 30, 2006 agenda.

Your Board also instructed my office, with the Director of Health Services and the Public Health Director, to report back to the Board with specific recommendations on ways to make Public Health more independent within the existing structure of the Department of Health Services as an alternative to full separation of Personal Health and Public Health.

Alternative Proposal

As requested, an alternative to full separation would be to implement parts of the plan for the separate Department of Public Health, submitted for your Board's consideration on December 13, 2005. Specifically, an alternative could involve transferring existing administrative support positions from Health Services Administration (HSA) to Public Health, consistent with the administrative support infrastructure changes in our plan. This action would allow Public Health programs to address their administrative infrastructure needs independently.

Each Supervisor
May 16, 2006
Page 2

The affected administrative support areas include Human Resources; Contracts and Grants/Contract Monitoring; Finance and Materials Management; Communications, Governmental Relations, and Planning; and Facilities and Space Management. This would involve the addition of 20 administrative positions. In addition to these administrative transfers, we would work with DHS, Public Health and Auditor-Controller staff to review the allocation of remaining overhead charges by HSA to Public Health budgets to determine whether other changes may be more appropriately handled as direct charges to those budgets. We would reflect these changes in the appropriate budget units during the supplemental phase of the budget process, which is expected to occur in September 2006.

In this alternative, the Public Health budgets would remain as separate budget units and the Antelope Valley Rehabilitation Centers (AVRCs) would be established as a separate budget unit, all reporting to the Public Health Director. Those Public Health budget units would be reflected as a "roll-up" budget subtotal within the total DHS budget, and we would work with DHS, Public Health and Auditor-Controller staff to implement these changes during the supplemental phase of the budget process.

In addition, budget requests submitted by the Public Health Director during the County budget process would be forwarded to my office as part of the DHS departmental budget submission, but without adjustments by HSA staff. Any potential requests for adjustments to net County cost would be submitted independently in the Public Health and DHS budget requests in the Department's submission, and these adjustments would be reviewed and recommended for approval by my office, just as we handle requests from other County departments.

Finally, the Public Health Director would be authorized to send directly to the Board, with a copy to the DHS Director, informational correspondence dealing specifically and exclusively with Public Health programs and issues. However, all recommendations requiring Board action, including those related to Public Health programs, would be submitted under the signature of the DHS Director or may be jointly signed by both the DHS Director and the Public Health Director, as they deem appropriate. Ultimately, therefore, the Public Health Director and Public Health programs would remain under the organizational jurisdiction of the DHS Director.

Recommendation

While we have provided this alternative, as requested by your Board, we do not recommend that we move forward with alternative proposals, because they offer neither the full benefits of a combined department nor the full benefits of a separate Public Health Department. I continue to recommend that your Board approve the separate Department of Public Health as proposed in our earlier correspondence.

Each Supervisor
May 16, 2006
Page 3

In our June 9, 2005 report, we indicated that one of the benefits to continuing with a combined Department is that the current structure has allowed DHS to consolidate administrative services to achieve Department-wide consistency and cost-effectiveness. The DHS Director indicates that an alternative providing more independence for Public Health would establish parallel administrative systems within the Department, which he does not support.

Further, while the Public Health operations would remain within the DHS organization, the proposed semi-autonomous role of the Public Health Director diminishes another benefit of a combined DHS, which is the unification of all health services in a comprehensive health services delivery system. While the DHS Director continues to oppose the separation of Public Health, because of the risk of further fragmenting services, he is even more opposed to the alternative of a semi-autonomous unit within DHS, because it would create redundancy and fragmentation, while not providing the potential benefits for Public Health.

The Public Health Director indicates that he appreciates the efforts of my office and your Board in defining possible alternatives to provide more independence for Public Health within the DHS organizational structure. However, he believes the alternatives would not provide full accountability of Public Health to your Board for timely performance of high priority goals, including health protection for serious communicable diseases and bioterrorism. Therefore, he continues to support establishment of a separate County Department of Public Health as the best way to fulfill the public health mission to protect and improve the health of every resident of the County.

As indicated in our June 9, 2005 report, the advantage of creating a separate Department of Public Health include, among others, is to recognize the equal importance of the Public Health and Personal Health missions. The Public Health mission has grown significantly with the need for increased attention to protection from emerging infections, bioterrorism and other communicable and food-borne disease outbreaks, toxic exposures and preventable injury, as well as prevention of chronic diseases such as heart disease, cancer and diabetes. In addition, the expanding growth in the Public Health mission has resulted in the growth in size and complexity of the various Public Health programs. We had, therefore, identified these as two significant reasons to support creating a separate Department.

Among other advantages mentioned in our earlier report, creating a separate Department of Public Health would eliminate the layer of DHS management between Public Health programs and your Board and allow the DHS Director to focus on critical personal healthcare issues and long-term funding priorities. Alternatives which would retain Public Health within DHS would not provide this benefit.

Each Supervisor
May 16, 2006
Page 4

As your Board is aware, Governor Schwarzenegger recently announced his support, at the State level, for the creation of a separate Department of Public Health, which he believes would better prepare the State to deal with a major epidemic or bioterrorism attack. State legislation which would implement that change, Senate Bill 162 (Ortiz), is currently pending consideration in the State Assembly.

Separate Department of Public Health

Pursuant to your Board's deferral of the decision on the separation of Public Health, the related ordinances will again be before you for consideration on May 30, 2006. If your Board approves the full separation, the attached revised timeline outlines the proposed action steps for implementation. Our goal, if the separation is approved, would be to incorporate the appropriate adjustments during the supplemental phase of the 2006-07 budget process.

If you have questions or need additional information, please contact me or your staff may contact Sheila Shima, of my office, at (213) 974-1160.

DEJ:SRH:DL
SAS:bjs

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 Auditor-Controller
 Director of Health Services
 Director of Personnel

ESTABLISHMENT OF A SEPARATE PUBLIC HEALTH DEPARTMENT
PROPOSED IMPLEMENTATION TIMELINE

ATTACHMENT

#	Task Name	Department	Start Date	End Date													2006			
					June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September
1	Adoption, in concept, of separate DPH		6/28/05	N/A																
2	Implementation meeting/development of implementation plan	CAO	7/11/05	12/2/05																
3	Development/drafting of amended ordinances	CC/DHR	7/11/05	12/2/05																
4	Submission of 1st Progress Report	CAO	9/1/05	N/A																
5	Development/drafting of Memorandum of Understanding (MOU)	DPH/DHS	11/10/05	1/19/06																
6	Review of pharmacy issues/receipt of certifications & licenses	DPH/DHS/CC	10/15/05	9/15/06																
7	Submission of 2nd Progress Report	CAO	10/27/05	N/A																
8	Initial meetings with employee representatives/unions	DHS/DPH/CAO	11/17/05	12/12/05																
9	Meeting with the Los Angeles Collaborative's Govenance Committee	DHS/DPH	1/11/06	N/A																
10	Meetings with the Public Health, Mental Health, and Hospitals and Health Care Delivery Commissions	CAO/DPH/DHS	1/26/06	2/2/06																
11	Meetings with employee representatives/unions	DHS/DPH/CAO	2/16/06	7/31/06																
12	Board action on approval of new DPH/introduction of ordinances & MOU/ Public Comment		5/30/06	N/A																
13	Adoption of ordinances & effective date of ordinances		6/7/06	7/6/06																
14	Notice to employees regarding action/impact & informational meetings	DHS/DPH	6/7/06	7/6/06																
15	Development/completion of AVRC MOU	DPH/AVRC/DHS	2/28/06	6/30/06																
16	Reassignment of impacted employees/change of work location if needed	DHS/DPH	7/17/06	7/31/06																
17	Follow-up ordinance changes	CC	6/7/06	9/15/06																
18	Completion of issues such as methodology of cost allocations, HIPAA compliance issues, and dev. of add. MOUs with other County Departments	CAO/DPH/DHS	6/7/06	9/15/06																
19	Finance/Budget Issues: - Adj. bud. to formalize creation of sep. roll-up budgets for DHS & DPH - Consideration of potential surpluses/deficits to the DHS & DPH budgets	CAO/DPH/DHS	6/7/06	9/15/06																
20	Final implementation of DPH	DPH/CAO	7/6/06	7/6/06																
21	Development/completion of DHS, DPH, DMH MOU	DHS/DPH/DMH	3/31/06	8/30/06																

- Chief Administrative Office (CAO) managed actions
- Public Health (PH)/Department of Public Health (DPH) managed actions
- Department of Health Services (DHS) managed actions
- County Counsel (CC) managed actions
- General actions